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ILLINOIS COMMERCE COMMISSION

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

ORIGINAL

MC Squared Energy Services, LLC :

Application for Certificate of
Service Authority under Section
16-115 of the Public Utilities Act. :

Docket No. 09-

0059

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ILLINOIS
COMMERCE COMMISSION

APPLICATION

MC Squared Energy Services, LLC ("Applicant") hereby requests that the Illinois Commerce Commission ("Commission") grant Applicant a certificate of service authority pursuant to Section 16-115 of the Public Utilities Act ("Act"). In support of its application, Applicant states as follows:

GENERAL [451.20, 451.30, 451.210, and 451.310]

1. Applicant's name and street address: [451.20(e)(1)]

MC Squared Energy Services, LLC

10 South Riverside Plaza, Suite 1800

Chicago, Illinois 60606

2. Related Information:

- Type of business entity: [corporation, LLP, LLC, etc.]
 - **The applicant is a Limited Liability Company.**
- Jurisdiction in which and under whose laws business entity was created:
 - **The LLC was organized in October 2008 and exists under the laws of the State of Illinois.**
- Other names under which Applicant does business (D/B/A):
 - **The applicant does business under the following D/B/A name:**
"mc2 – Where Energy Comes From"
- Federal Employer Identification Number: [451.20(e)(2)]
 - **26-3615852**

- Registered Agent in Illinois:

- **Mark J. McGuire**
McGuireWoods LLP
77 West Wacker Drive, Suite 4100
Chicago, Illinois 60601

3. Contact Persons for the following:

- a) For issues related to processing this application:

Mr. Charles C. Sutton
President
MC Squared Energy Services, LLC
10 South Riverside Plaza, Suite 1800
Chicago, Illinois 60606
(312) 474-6441 (phone)
(312) 474-6099 (fax)
Email: chucksutton@mc2energyservices.com

- b) For issues related to retail customers, including complaint resolution:

Mr. Charles C. Sutton
President
MC Squared Energy Services, LLC
10 South Riverside Plaza, Suite 1800
Chicago, Illinois 60606
(312) 474-6441 (phone)
(312) 474-6099 (fax)
Email: chucksutton@mc2energyservices.com

And

Mr. Mark J. McGuire
McGuireWoods LLP
77 West Wacker Drive, Suite 4100
Chicago, Illinois 60601
(312) 849-3040 (phone)
(312) 849-3690 (fax)
Email: mmcguire@mcguirewoods.com

- c) For technical issues, including scheduling of generation, transmission, and distribution, and issues arising from relationships with other providers of electric services:

Mr. John F. Clark
Chief Financial Officer
MC Squared Energy Services, LLC
10 South Riverside Plaza, Suite 1800
Chicago, Illinois 60606
(312) 474-5738 (phone)
(312) 474-6099 (fax)
Email: johnclark@mc2energyservices.com

4. Applicant is licensed to do business in the State of Illinois as a Limited Liability Company under the Office of the Secretary of State File # 02618842, as demonstrated in **Attachment A**. [451.20(f)(1)]
5. Applicant's qualifications to operate facilities [451.20(f)(2)]

The provisions of Section 16-128(a) of the Act [220 ILCS 5/16-128(a)], does not apply to the applicant. Applicant will not be responsible for installing, operating or maintaining generation, transmission or distribution facilities within the State of Illinois.

6. Description of Applicant's business. [451.30(c)(1)]

MC Squared Energy Services, LLC will provide electricity supply products and services, including but not limited to, fixed rate and index rate offerings to commercial and industrial customers above annual consumption of 15,000 kilowatt hours in the Commonwealth Edison service territory. To the extent that Applicant desires to offer its products and services to additional service territories in the State or additional customer classes, Applicant will seek authority from the Commission prior to commencing such activity.

MC Squared Energy Services, LLC was formed in late 2008 as a Joint Venture between three (3) entities to become, subject to Commission approval, a provider of retail electricity supply to commercial and industrial customers in the State of Illinois. The three owners of MC Squared Energy Services, LLC are Lower Electric LLC, Rock Creek Energy Partners LLC and Wolverine Trading LLC.

Lower Electric LLC is an existing ARES in the State of Illinois currently operating pursuant to a Certificate of Service Authority under Docket number 04-0118. It is the intent of Lower Electric LLC to transfer its existing customer base served under its ARES certificate into MC Squared Energy Services, LLC through assignment of the retail electricity sales agreements after Commission approval of the Applicant's application. Lower Electric LLC will notify the customers in advance of the assignment, and MC Squared Energy Services, LLC will honor all of the existing terms and conditions within the assigned retail agreements as the successor ARES. Lower Electric LLC will continue to support its obligations and requirements as a licensed and certificated ARES in the State of Illinois.

Rock Creek Energy Partners LLC is a Chicago, Illinois based private investment entity. Rock Creek Energy Partners LLC was formed in 2008 to invest capital, both financial and intellectual, into MC Squared Energy Services. The principals of Rock Creek Energy Partners LLC include, among others, Mr. Charles C. Sutton and Mr. John F. Clark. Mr. Sutton and Mr. Clark are the executive officers and managers for MC Squared Energy Services, LLC.

Wolverine Trading LLC is a Chicago, Illinois based private financial institution formed in 1994. Wolverine Trading LLC is an active participant and member of the PJM Interconnection. Wolverine Trading, LLC is currently providing wholesale energy pricing and financial hedging services to Lower Electric LLC. Wolverine Trading LLC will continue to provide the wholesale pricing and hedging services to MC Squared Energy Services post Commission approval. In addition to providing the wholesale energy pricing and hedging services, Wolverine Trading LLC is providing financial and intellectual capital into MC Squared Energy Services, LLC.

7. Geographic area in which Applicant seeks to be authorized to offer service (if less than entire State, provide detailed description) and the types of services it intends to offer. [451.30(c)]

MC Squared Energy Services intends to offer electric power and energy products & services to retail customers in the State of Illinois within the Commonwealth Edison service territory.

8. Identification of the Part 451 subpart (Subpart B, C, D, or E) under which the applicant is filing. Description of the characteristics of customer group(s) Applicant proposes to serve. [451.30(c)(2)]

MC Squared Energy Services intends to market and sell electric power and energy to retail customers with annual electric consumption in excess of 15,000 kilowatt hours in accordance with Section 451.30(c) SUBPART C.

9. Proof of notification of intent to serve. [451.30(c)(3)]

*Proof of notification of Applicants intent to serve customers in the Commonwealth Edison service area is included in **Attachment B**.*

Applicant will, within ten (10) days of filing this application, publish in the official state newspaper, notice of the filing of this application (83 Ill. Admin code 451.4109(a)). A copy of this notice shall be provided to the Chief Clerk of the commission.

10. Applicant certifies that it:

- a) will comply with all applicable Federal, State, regional and industry rules, practices, policies, procedures and tariffs for the use, operation, maintenance, safety, integrity, and reliability of the interconnected electric transmission system including the Open Access Same-time Information System (OASIS) mandated by 18 CFR 37 and the rules and operating guidelines and procedures of the regional or national electric reliability council(s) or organization(s) and their successors for any portion of the state in which the applicant is certified to provide retail electric service); [451.20(a)]
- b) will provide service only to retail customers that are eligible to take delivery services; [451.20(b)]
- c) will comply with informational and reporting requirements that the Commission may by rule establish; [451.20(c)]
- d) will comply with informational and reporting requirements that the Commission may establish regarding the provision of information required by Section 16-112 of the Act; [451.20(d)]
- e) complies with all other applicable laws and regulations and Commission rules and orders; [451.20(g)]
- f) complies with all terms and conditions required by Sections 16-115A(a), (b), and (f), 16-119, 16-123, 16-125(b) and (c), 16-127, and 16-128(a) of the Act, to the extent those Sections have application to the services being offered by the alternative retail electric supplier; [451.30(d)(2)] and
- g) complies with all terms and conditions required by Section 16-115A(c) of the Act. [451.210 and 451.310(a)]

11. Scheduling [451.20(a)]

Applicant agrees to submit good faith schedules of transmission and energy in accordance with applicable tariffs.

12. Customer Records and Information [451.40(a)]

Applicant agrees to adopt and follow rules and procedures ensuring that authorizations received from customers, customer billing records, and requests for delivery service transmitted to utilities are retained for a period of not less than two calendar years after the calendar year in which they were created.

13. Confidentiality of Customer Information [451.40(b)]

Applicant agrees to adopt and follow rules and procedures to preserve the confidentiality of its customer's data.

14. Consolidation of previous Certificate of Service Authority.

Applicant does not request consolidation of a previous Certificate of Service Authority as part of this Application.

RECIPROCITY REQUIREMENTS [451.20, 451.710, and 451.730]

15. The names and addresses of all of Applicant's affiliated companies involved in electric retail sales or purchases in the North American continent are as follows: [451.20(e)(3)]

Applicant believes that the reciprocity requirements provided in the cited rules are no longer applicable since the body of Illinois law supporting these rules has been repealed pursuant to Public Act 95-0130, which became effective January 1, 2008.

16. Applicant certifies that it complies with Section 16-115(d)(5) of the Act [220 ILCS 5/16-115(d)(5)], that it will remain in compliance with such requirements, and that it will annually certify such compliance to the Commission during January of each year after its certification.

Applicant believes that the reciprocity requirements provided in the cited rules are no longer applicable since the body of Illinois law supporting these rules has been repealed pursuant to Public Act 95-0130, which became effective January 1, 2008.

LICENSE OR PERMIT BOND [451.50]

17. Applicant is required to execute and maintain a license or permit bond in the name of the People of the State of Illinois issued by a qualifying surety or insurance company authorized to transact business in the State of Illinois. The amount of the bond shall equal \$150,000 as specified in Part 451.50(a) for the appropriate group of customers that the Applicant seeks certification to serve. **Attachment C** is a copy of the license or permit bond from the Westchester Fire Insurance Company as required by Part 451.50(a) and proof that the surety meets the definition of "qualifying surety" as set forth in Part 451.10. Applicant has paid the cost of the bond, and has included the original License or Permit Bond to the Chief Clerk's office as part of this Application submission.

[Department of the Treasury's Listing of Approved Sureties (Department Circular 570)]

[<http://www.fms.treas.gov/c570/c570.html>]

FINANCIAL QUALIFICATIONS [Clearly state 451.110, 451.220, or 451.320—Not applicable to Subpart E Applicants]

18. Applicant meets the financial criteria set forth in the Commission's Regulations for Part 451.220(a)(4)(b) Financial Qualifications under SUBPART C. Pursuant to that Section, the Applicant certifies it meets the financial qualifications as demonstrated in **Attachments D1 and D2**. Attachment D1 is the Payment Bond in the amount of \$1,006,603 from the Westchester Fire Insurance Company, a qualifying surety in the State of Illinois, and proof that the surety meets the definition of a "qualifying surety". Attachment D2 is a good faith estimate of the peak amount of MW that Applicant will schedule in the year.
19. Applicant **will not** provide electric power and energy with property, plant and equipment that it owns, controls, or operates.

TECHNICAL QUALIFICATIONS [Clearly state 451.120, 451.230, 451.330, or 451.420]

20. Applicant **will not** use electric generation, transmission or distribution facilities that it owns, controls or operates in serving customers.

Applicant meets the Commission's requirements of Part 451.230 as demonstrated in **Attachment E** with qualified technical employees. As shown in the narrative of key personnel, Mr. John Fringer has extensive operational experience in the retail electricity supply industry within the State of Illinois. Mr. Fringer has most recently provided the technical requirements as a Contractor for Lower Electric LLC over the past four (4) years. Mr. Fringer will continue to

Form for ARES Applicants

perform these duties prospectively for Lower Electric LLC as a Contractor. Mr. Fringer will perform the technical duties and responsibilities for Applicant as an employee of the Applicant.

MANAGERIAL QUALIFICATIONS [Clearly state 451.130 and 451.140, 451.240 and 451.250, 451.340 and 451.350, or 451.430]

21. Applicant meets the managerial qualifications set forth in Part 451.240 of the Commission's regulations as demonstrated in **Attachment F**. As shown in the narratives of the key managers of the Applicant, each of Mr. Charles C. Sutton and Mr. John F. Clark possesses greater than four (4) year's demonstrated experience in a senior management position with enterprise financial and administrative responsibilities, including profit and loss responsibilities in the retail energy industry. Attachment F also provides an exhibit containing a corporate organizational chart identifying the persons who are being used to meet the requirements of 451.240(b).
22. Applicant **is not** relying on one or more agents or contractors to meet the technical and managerial requirements of Part 451.240 of the Commission's regulations.

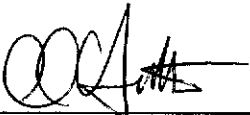
FINANCIAL QUALIFICATIONS FOR SINGLE BILLING SERVICE [451.510]

23. Applicant **does not** intend to provide single billing services at this time. To the extent that Applicant desires to provide single billing as an option to its customers on a prospective basis, Applicant will seek such authority and approval from the Commission.

WHEREFORE, Applicant requests that the Commission grant its application for service authority to serve retail customers with annual consumption in excess of 15,000 kilowatt hours in the Commonwealth Edison service area.

Respectfully submitted,

MC Squared Energy Services, LLC

By: 

Charles C. Sutton, President
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Attorney's Fax:	(312) 849-3690
Attorney's Email:	mmcguire@mcguirewoods.com

VERIFICATION

STATE OF ILLINOIS)
)
COUNTY OF COOK)

SS:

Charles C. Sutton, being first duly sworn, deposes and says that he is the President of MC Squared Energy Services, LLC ("Applicant"); that he has read the foregoing Application of Applicant, and all of the attachments accompanying and referred to within the Application; and that the statements contained in the Application and the attachments are true, correct and complete to the best of his knowledge, information and belief.

QCutter

Charles C. Sutton

Subscribed and sworn to before me

this 29 day of June, 2009.

Angie Bell
Notary Public

[Stamp of Notary]



Index of Attachments

Attachment A:	Applicants License to Transact Business in the State of Illinois
Attachment B:	Proof of Notification to Commonwealth Edison of Intent to Serve
Attachment C:	\$150,000 Surety Bond including Qualifying Surety Information
Attachment D1:	\$1,006,603 Surety Bond including Qualifying Surety Information
Attachment D2:	Calculation of Good Faith Estimate of Peak MW's to be served
Attachment E:	Technical Qualifications of Applicant
Attachment F:	Managerial Qualifications of Applicant